

January 8, 2002

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

STATE LEGISLATIVE UPDATE

Governor's State of the State Address

Tonight, Governor Gray Davis gave his annual State of the State address to the Legislature. His opening remarks were focused on the events of September 11th and his commitment to enhancing the security of the State.

On the issue of the State's economy, the Governor acknowledged that both the Legislative Analyst and Department of Finance agree that there is a more than \$12 billion shortfall in State revenues. He listed the basic principles which guided the preparation of his proposed budget: maintain a resolute commitment to education; maintain a full commitment to public safety; expand the commitment to children; oppose balancing the budget on the backs of local government and not advocate raising taxes. His plan calls for closing the budget gap with a combination of "cutbacks, deferred spending, internal borrowing and accelerated revenue."

The Governor asked the Legislature to take the first step toward enacting a budget by meeting in Extraordinary Session and adopting the \$2 billion in cuts in this year's budget that he proposed in November. He also indicated that helping those who have lost their jobs, stimulating the economy and creating new jobs must be priorities in light of the softening economy. Specifically, he asked the Legislature to make the higher unemployment benefits enacted last year retroactive to September 11th. According to the Governor, "this will put \$400 million in benefits into the hands of laid-off California workers." He'll also send the Legislature a bill authorizing \$678 million bonds to accelerate public works projects, and that he would support \$30 billion in school bonds over three general elections to build new schools and improve existing facilities.

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While the governor continues his pledge to keep K-12 education a top priority, he is proposing to expand before and after school child care programs by \$75 million in his 2002-03 budget, which will serve an additional 100,000 children.

Another key point of the Governor's speech is a plan, which will be unveiled in the coming weeks, to expand the number of nurses throughout the State. He intends to provide incentives to clinics and to hospitals that support clinical placements for nursing students, new graduates and returning nurses.

Pursuit of County Position on Legislation

SB 18 (Alarcon), which reduces Los Angeles County Board of Supervisors' representation on the MTA Board from five to three members is scheduled to be heard in the Senate Transportation Committee on January 15, 2002. In the 1997-98 Legislative Session, your Board opposed SB 567 (Polanco) which eliminated your Board's representation on the MTA Board and authorized your Board to appoint three members of the general public from unincorporated areas who were not elected officials. Consistent with prior Board action to oppose reducing the Board of Supervisors' representation on the MTA Board, **our Sacramento advocates will oppose SB 18.**

Attached is the Governor's Address as well as his Press Release on the Extraordinary Session.

We will keep you advised.

DEJ:GK
IGR:zo

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
Local 660
All Department Heads
Legislative Strategist
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants